

AGREEMENT FOR AN EXTENSION OF THE AGREEMENT

FOR WASTE AND REFUSE

COLLECTION, REMOVAL, AND DISPOSAL FROM

RESIDENTIAL PROPERTY



WHEREAS, the City of Terre Haute, Indiana, by and through its Board of Public Works and Safety ("BPWS") wishes to provide for the health and safety of the citizens of the City of Terre Haute ("City"), by entering into an extension of the Agreement for Waste and Refuse Collection, Removal and Disposal from Residential Property (as hereafter defined) in the City.

WHEREAS, Republic Services of Indiana, LP ("Republic") is willing to provide the services desired of the BPWS as described below and the BPWS is willing to extend the Agreement for such services with Republic upon the terms and conditions as set out herein.

NOW THEREFORE, in consideration of the mutual promises and agreements contained herein, Republic and the BPWS agree as follows:

I. DEFINITIONS

Agreement: the written contract extension for the services to be provided to the City by Republic. Such Agreement shall consist of this Agreement for an Extension, the specification for Waste and Refuse Collection, Removal, and Disposal issued on May 25, 2001, and the response of Jamax dated June 25, 2001 to the specifications, the Agreement for Waste and Refuse Collection, Removal, and Disposal from Residential Property dated August 17, 2001, and the Amendment to the Agreement for Waste and Refuse Collection, Removal, and Disposal from Residential Property dated November 21, 2001. In the event of a conflict between this extension and any other documents within the definition of Agreement, the terms of this extension shall control.

Block: a segment of a street bounded by consecutive cross streets, a dead-end street bounded by one cross street, or a cul-de-sac bounded by one cross street.

Hazardous Waste: any material or substance that is toxic or hazardous waste as defined in either the Solid Waste Disposal Act, as amended, 42 U.S.C. Sections 691 *et seq.*, and the regulations thereunder, or in the Indiana Environmental Management Act, I.C. 13-11-1-1 *et seq.*, as amended, and the regulations thereunder, or special nuclear or by-products material within the meaning of the Atomic Energy Act of 1954.

Household Waste: ordinary, non-hazardous household refuse, not requiring special handling techniques such as ashes, garbage, rubbish and trash resulting from the normal running of a household. It specifically includes kitchen wastes, cans, bottles, household food, vegetable matter attendant to preparation of foods, and accumulations of animal food. Also included are newspapers and magazines, discarded clothing and similar materials when such items are placed in a container or tied in bundles. It does not include material within the definition of "Large Items" such as furniture or appliances. Expressly excluded from the definition of the term "Household Waste" are items defined as "Yard Waste", "Large Items", construction debris, hazardous materials, human/animal excretions, and carcasses.

Large Items: household furniture, mattresses, large toys, carpeting tied in three (3) foot bundles, and appliances not containing chlorofluorocarbons (CFCs) and hydrofluorocarbons (HCFCs) such as refrigerators and air conditioners. Specifically excluded are construction debris and items defined in "Yard Waste."

Residential Property: private single family dwelling units, trailers, or apartment complexes containing no more than four (4) dwelling units. It does not include business or professional establishments, schools, motels and/or hotels. For purposes of this Agreement, all trash, refuse, and waste collection and disposal services presently provided to the BPWS and City agencies including, but not limited to, the following municipal properties will continue:

- A. Terre Haute Housing Authority Units, including, but not limited to:
 - 1. Garfield Towers (Individual pick-up and dumpsters)
 - 1. Garfield Gardens (Individual pick-up and dumpsters)
 - 2. Dreiser Square (Individual pick-up)
 - 3. Margaret Avenue (Individual pick-up and dumpsters)

4. Lockport (Individual pick-up and dumpsters)
5. McMillan Square (Individual pick-up)
6. Martin Lewis Court (Individual pick-up)
- B. Scattered sites throughout the City, including but not limited to:
 1. 17 Harding Avenue (City Hall)
 2. 1211 Wabash Avenue (Police Dept.)
 3. 25 Spruce (Fire Dept. Offices and Maintenance Garage)
 4. 1300 Fort Harrison Road (Fire Dept.)
 5. 28 South 9th Street (Fire Dept.)
 6. 2600 Hulman (Fire Dept.)
 7. 670 West Margaret (Fire Dept.)
 8. 701 South 13th Street (Fire Dept.)
 9. 801 College Avenue (Fire Dept.)
 10. 240 South Fruitridge (Fire Dept.)
 11. 2601 Maple Avenue (Fire Dept.)

C. Such other reasonably limited number of sites as are now or may be hereafter municipally operated.

Unit: a single Residential Property as defined above which has begun generating household waste.

Yard Waste: leaves, grass clippings, yard trimmings, weeds, brush, limbs, other organic garden debris, and Christmas trees during and for a reasonable time after the holiday season.

II. REPUBLIC EQUIPMENT, SERVICE AND NET WORTH WARRANTY

Republic warrants that it currently operates and shall during the term of this Agreement, a waste and refuse collection service of the type and size necessary to efficiently collect and remove the waste and refuse required by this Agreement. Republic has and shall have during the term of this Agreement adequate equipment, facilities, personnel and knowledge to perform the services specified in this Agreement. Republic

warrants that it has available disposal sites to fulfill this Agreement, and shall submit the information and data necessary to support this warranty upon the reasonable request of BPWS. Republic is sufficiently familiar with the City and its streets, alleys, and residences in order to collect and remove waste and refuse from Residential Property in accordance with this Agreement.

Republic has a sufficient net worth to maintain the performance required hereunder and to promptly pay to the BPWS any of the financial consequences of a failure to perform as described herein.

III. SCHEDULE OF PICK-UP

Each Residential Property within the City shall have waste and refuse, as covered hereunder, removed weekly unless otherwise provided specifically herein. The BPWS has supplied locations of these Residential Properties to Republic and will provide Republic with updates and additional locations in the event of annexation or additional residential development. Republic acknowledges that it has fully informed itself of the extent and area of the Residential Properties to be serviced and Republic will provide the BPWS with a pick-up schedule including sufficiently detailed maps and days of collection. Republic shall notify residents of the City by and through local newspapers or other media of the collection schedule. Republic shall deliver to the BPWS updated route maps and schedules twice a year and otherwise as may be reasonably requested. The days of collection shall be Monday through Friday not including weekends as further defined. The pick-up shall not occur before 6am nor after 9pm.

Republic and the BPWS acknowledge and agree that pick-up will not be provided on the following holidays: Thanksgiving; Christmas; New Year's Day; Memorial Day; July 4th; and Labor Day. In the event of such a holiday interrupting service to any Residential Properties, service to the affected residences shall be promptly rescheduled to a different day within the same week with notification through local newspapers or other media.

In the event of a permanent change in the day of the week on which a Residential Property regularly receives waste and refuse collection and disposal service, Republic shall first obtain the BPWS' written consent to such change and Republic shall provide prior notice of such change to the affected Residential Properties.

IV. DISPOSAL OF COLLECTED WASTE AND REFUSE; INDEMNIFICATION

Republic shall dispose of the collected waste and refuse covered in this Agreement in any manner it deems most economical provided that Republic is in material compliance with all applicable state, federal, and local laws, rules and regulations at a site having all necessary governmental licenses and approvals. Provided, however, in compliance with Special Ordinance No. 56, 1997, as amended and enacted on November 13, 1997, the waste and refuse must be disposed of within the Clay-Owen-Vigo Solid Waste Management District at a site that is operated under Federal Subtitle D regulations adopted by the Environmental Protection Agency on October 9, 1993, and the Indiana Department of Environmental Management on April 13, 1996, including the specific requirement that the landfill have a composite liner as well as a leachate collection system and, further provided, that the disposal site shall be at Sycamore Ridge Landfill as expanded from time to time in Vigo County, Indiana. Republic shall indemnify and hold the BPWS and the City harmless from any loss, liability, or damages asserted against it arising from Republic's or the operator of the disposal site's disposal of the waste and refuse. The BPWS shall not be responsible for the payment of any separate disposal costs or fees. The BPWS reserves the right to reject any alternate disposal methods proposed by Republic that do not conform to the provisions of this Article IV.

V. EQUIPMENT

Republic shall provide, use, and maintain solely at Republic's expense an adequate number of waste removal vehicles. Republic shall be required to keep said vehicles in good repair and appearance and in a sanitary condition at all times. Said vehicles and equipment used by Republic shall be designed so as not to allow collected residential waste and refuse to be spilled or blown from said vehicles.

Each vehicle or piece of equipment used by Republic shall have clearly visible on the sides thereof the name and the local or toll free telephone number of Republic.

BPWS recognizes that demand for service and vehicle allocation concerns may occasionally require use of vehicles from an affiliate of Republic, but in those situations, Republic shall arrange signage for such vehicles which has the name and local phone number of Republic clearly visible upon the sides of such vehicle's cab. Republic shall provide to the BPWS detailed inventories and certificates of insurance coverage naming the BPWS and the City as an additional insured for all of their vehicles and equipment. Said inventories shall include type, model, and year of manufacture of vehicles and equipment and whether said vehicles and equipment are owned or leased by Republic.

VI. LOCAL OFFICE AND RECORDS

Republic shall maintain a local office where it can be contacted, services may be requested, and complaints may be made. Such office shall be staffed during regularly scheduled business hours Monday through Friday.

All complaints received by Republic shall be investigated within twenty-four (24) hours. Republic shall keep a written record of complaints and indicate in said record the disposition of each. Such records shall be provided to the BPWS in Terre Haute upon forty eight hours written request. The records shall indicate the date and hour the complaint was recorded, the date and hour at which it was resolved, and how it was resolved.

Republic shall maintain proper accounting records for the scope of all services of this Agreement and provide to BPWS an accounting of all charges and expenditures as may be necessary for audit purposes. All such records relating to this Agreement shall be subject to inspection and examination by the BPWS during reasonable business hours and upon reasonable prior notice.

VII. INSURANCE TO BE CARRIED BY REPUBLIC

Republic shall be required to maintain and keep in force at all times during the period of this Agreement, property damage and public liability insurance on all vehicles

and equipment used for carrying out the terms of this Agreement, said public liability insurance to be in the amount approved by the BPWS, not less than the limit of liability as set forth in Indiana Code 34-13-3-4, as amended from time to time. The BPWS and the City shall be named on all such policies as an additional insured.

Republic will be required to comply with the Workmen's Compensation Laws of the State of Indiana at all times by carrying and keeping in force compensation insurance on each of its employees. Current certificates of all such insurance shall be provided to the BPWS.

VIII. PERFORMANCE SECURITY

At all times during the term of this Agreement, Republic shall maintain a performance bond in favor of the BPWS in an amount equal to One Million Dollars (\$1,000,000.00). The bond shall be submitted to BPWS within thirty (30) days after the execution hereof by both parties. The bond shall guarantee that services performed by Republic are in compliance with all requirements of this Agreement and shall be in a form and with a company reasonably acceptable to the BPWS. If the surety on any bond furnished by Republic becomes a party to supervision, liquidation, and/or rehabilitation action pursuant to IC 27-9 *et seq.*, or its right to do business in the State of Indiana is terminated, Republic shall, within thirty (30) days thereafter, substitute another bond and surety which must be acceptable to BPWS. Failure of Republic to obtain a substitute bond within ninety (90) days after the need for such substitute bond has arisen may result in termination of this Agreement.

IX. EMPLOYEES

In the performance of this Agreement, Republic shall be an Equal Opportunity Employer and not discriminate against any employee or applicant for employment with respect to hire, tenure, terms or conditions or privileges of employment because of race, religion, color, gender, disability, national origin, or ancestry. Breach of this provision shall be regarded as a material breach of this Agreement.

Subject to the pre-existing terms of Republic's Collective Bargaining Agreement with Teamsters Local #135 covering employees performing services under this

Agreement, Republic agrees to use its best efforts to assure that (a) at least ninety percent (90%) of its local workforce, excluding upper level management, shall be residents of Vigo County; (b) employees shall be paid at a rate substantially comparable to the rate paid to City employees for the same or similar work; and, (c) other benefits including, but not limited to, group health insurance, pension/401(k), and life insurance shall also be reasonably comparable to City benefits.

X. PERMITS AND LICENSES

Republic shall obtain at its own expense all permits and licenses required by Federal, State, or City laws and ordinances, and maintain the same in full force and effect during the term of this Agreement.

XI. SERVICES TO BE PROVIDED

Each of the services described below shall be provided by Republic on a year-round basis unless otherwise stated.

A. HOUSEHOLD WASTE

Republic shall collect, remove, and dispose of waste and refuse from Residential Properties within the corporate limits of the City as it is now defined, or as it may be changed by the BPWS during the term of this Agreement, from the places and at times herewith specified at least once per week or as may be reasonably directed by the BPWS, all ordinary, non-hazardous Household Waste as previously defined.

In the event that Household Waste scheduled for collection was not collected, Republic shall provide to the BPWS on the date of such failure the following information:

- the addresses affected;
- the reason for such failure; and
- the date and time such Household Waste has been rescheduled for pick-up.

B. YARD WASTE

Republic shall collect, remove and dispose of, within the corporate limits of the City, said corporate limits to be as the same are now, or as the same may be changed at any time within the term of the Agreement, from the places and at times herein specified, ordinary Yard Waste. Republic shall remove Yard Waste and brush and limbs placed by residents at or near the location of the pick-up site for their Household Waste. In the event a resident wishes to dispose of leaves or grass clippings, such resident must bag the leaves or grass clippings, in which event Republic shall collect, remove, and dispose of bagged leaves or grass clippings. Such collections and removal shall include only ordinary, non-hazardous yard waste not requiring special handling techniques including leaves, grass clippings, weeds, yard trimmings, garden plants, brush and tree limbs prepared for collection and removal as set out herein. Tree limbs and brush may not exceed three inches (3") in diameter and shall be tied with a string or twine, but not wire, into bundles no larger than six feet (6') long and two feet (2') wide. Only limbs and brush resulting from storm damage or pruning shall be collected. Tree stumps, limbs, and brush resulting from the removal of trees or shrubs shall not be included for collection, but must be disposed of by the individual or the business removing such trees or shrubs. In addition, Republic shall collect and remove Christmas trees during and for a reasonable time after the holiday season. Christmas trees shall be placed in the usual collection spot for such removal.

C. LARGE ITEM PICK- UP

Residents desiring removal of Large Items as previously defined shall contact the BPWS (contact number and person at BPWS or other City office shall be designated by BPWS) and the BPWS shall verify the need and appropriateness of such removal, and upon the request by BPWS, by e-mail or by such other means as the parties shall agree, in writing, that Republic remove such item(s), Republic shall collect, remove, and dispose of Large Items including the following: furniture and other larger items of trash excluding building materials, tires, paint, or other hazardous waste. Large Items shall be

separated from ordinary Household Waste by residents. Large Items will be collected and disposed of by Republic at the next scheduled service date.

D. UNIFORM CONTAINERS AND AUTOMATED PICK-UP

Over the course of the first two (2) years of this Agreement Extension, Republic and the BPWS agree to cooperate, and shall implement, a uniform Household Waste container and automated pick-up system ("Uniformity System"). Within ten (10) days from the date of this extension, the BPWS will select the uniform size (to be no larger than ninety-six (96) gallons and no smaller than sixty (60) gallons) of Household Waste containers to be used in the Uniformity System and select the first route from among the route information supplied by Republic to be serviced by the Uniformity System. Republic and BPWS shall mutually agree upon the color of such containers. It is understood and agreed that unless the parties agree otherwise, the color of such container shall be blue.

Residential Properties converted to the Uniformity System ("Converted Residents") shall continue to have the service location to which they have become accustomed. Provided, however, that Converted Residences whose service location is in an alley may be required to place all refuse and containers on that side of the alley directed by Republic, with the consent of BPWS, in order to accommodate the equipment used in the Uniformity System. Republic and BPWS recognize their mutual desire to work toward an efficient implementation of the Uniformity System. Republic and BPWS recognize that in some locations placement of refuse and containers on a single side of an alley may not be convenient or appropriate for reasons such as topography, existing structures and traffic flow and where not convenient or appropriate accommodations will be made by and between Republic and BPWS. Converted Residents will be encouraged to place Household Waste in the designated containers. In the event that a Unit fails to place all of its Household Waste in the designated containers, Republic will promptly notify BPWS of the date and location of such event so that BPWS may warn the resident that failure to place all of its Household Waste in the designated containers may result in less than all of the waste being picked up and may result in citations, fines or other

penalties. If the same unit has placed less than all of its Household Waste in the designated containers two or more times within a 2 month period (and received warnings for each of those events), then Republic shall not be obligated to collect Household Waste that is not so placed in the designated containers.

Republic shall supply one (1) toter of the size as selected by the BPWS and of the color as mutually agreed by Republic and BPWS to each Converted Resident. Any Converted Resident desiring an additional toter or toters shall pay \$3.00 per month per additional toter (subject to increases as set forth in Article XII) for such additional toter(s). Billing and collection of the cost of such additional toter(s) shall be done by Republic. Once the Uniformity System affects a Unit or Units hereunder, Republic shall deliver such additional toter(s) to the requested location within five (5) days of a request from a Converted Resident. Republic shall replace toter(s) (be it the Republic supplied toter or additional toter(s) provided to a Converted Resident) if lost, stolen, or damaged. It is understood and agreed that the cost of the toters shall not be an expense of the City, but rather within the Uniformity System the cost of the initial toter shall be at the expense of Republic, additional toter(s) shall be at the expense of the Converted Resident and all replacement of toters shall be at the expense of Republic.

Upon the successful implementation of the first route to the Uniformity System, Republic and the BPWS shall jointly select such other routes to be converted to the Uniformity System over the remaining two (2) years, keeping in mind the need of Republic to integrate new equipment over the course of the two (2) year implementation of the Uniformity System, the route scheduling interests of Republic, and the BPWS' desire for an improved image of the City.

E. COMPOST FACILITY

Republic shall maintain a permitted facility within Vigo County, accessible by BPWS designated City employees, in vehicles easily identifiable as City vehicles, which employees may deliver or remove compost material during the hours of 8:00 am to 5:00 pm, Monday through Friday, excluding holidays. Annually, Republic shall provide a copy of the facility permit to BPWS.

F. RECYCLING

Upon a date mutually selected by the BPWS and Republic, Republic shall institute a Recycling Pilot Program ("RPP") as described in this section. In such RPP, each resident electing to participate in the program shall receive a 65 gallon cart supplied at the cost of Republic and pay a "Recycling Participation Fee" (defined below) each month directly to Republic. Republic shall service the recycling carts of the participants in the RPP every other week. If at the expiration of six (6) months from the date that the RPP was instituted or at anytime thereafter, there is not a minimum of five hundred (500) paying participants, Republic may terminate the program.

The Recycling Participation Fee shall be \$5.50/participating Unit/month.

The Recycling Participation Fee paid by the participants to Republic shall increase on each anniversary of the first date of the Term on the following schedule, with each "Year" referenced in Article XI and Article XII to commence on the anniversary date hereof (e.g. Year 2 shall commence on the date one year after the first date set forth in Article XII).

Years 2-5: 2.0% increase over prior Year's monthly rate;

Years 6-10: 2.5% increase over prior Year's monthly rate; and

Years 11-20: the increase over prior Year's monthly rate shall be equal to the percentage of increase of CPI – Midwest for all urban consumers based on published data for the most recently available twelve (12) month period prior to the commencement of the new Year, but such increase shall not be less than 3% nor more than 5% (e.g. if a Year hereunder commences every September 1, Year 12 will commence on September 1, 2018; if the federally published CPI is current only through the end of June, 2018, then the CPI calculation for pricing for Year 12 shall be the increase in CPI-Midwest All Urban Consumers for the period beginning July 1, 2017, through June 30, 2018; this CPI calculation shall also apply for Years 11-20 under Article XII). All billing and notice of annual increases shall be the responsibility of Republic. At termination of the RPP, if applicable, Republic shall provide advance notice to BPWS and the participants and

Republic shall collect all containers directly related to such RPP. It is understood and agreed that the City has no responsibility for the collection of fees related to the RPP.

G. CITY PARKS

Upon receipt of written notice from the BPWS, Republic and the BPWS agree to negotiate a rate of compensation to Republic regarding Republic's possible waste collection and disposal services for the City Parks. In the event the BPWS and Republic arrive at an agreement with regard to such compensation and the scope of services to or for the City Parks, this Agreement shall be amended by an addendum. However, the parties may enter into a separate contract with regard to the City Parks waste collection and disposal if they agree to do so.

XII. TERM AND CONTRACT PRICE

This Contract Extension Term shall be effective from October 1, 2007 to December 31, 2027 ("Term").

In consideration of the services provided by Republic hereunder, the BPWS shall pay to Republic \$186,092.98 (adjusted as described below) per month, payable in advance on the first day of each month during the Term hereof. Such monthly compensation shall increase on each anniversary of the first date of the Term on the following schedule:

Years 2-5: 2.0% increase over the prior Year monthly rate;

Years 6-10: 2.5% increase over the prior Year monthly rate; and

Years 11-20: increase over the prior Year's monthly rate shall be equal to the percent of increase of CPI-Midwest for all urban consumers based on published data for the most recently available twelve (12) month period prior to the commencement of the new year but such increase shall not be less than 3% nor more than 5%.

Republic understands that in the event the Common Council does not make an appropriation of funds for any year or part thereof contemplated and covered under this

Agreement either :i.) as a result of the City's general lack of resources that causes the Common Council to cease or reduce appropriations for other municipal agreements in addition to this Agreement; or ii.) the service to the residents is terminated and no replacement provider will be contracted with for a period of at least 12 months, then, in either of those events, the Agreement shall become null and void as to the remaining unexpired portion of the Agreement period, and neither the City nor its BPWS shall incur any liability or damages of any kind or type for failure of the Council to appropriate funds.

Beginning January 1, 2012, Republic shall receive additional monetary compensation should the price of vehicular fuels increase. Republic and BPWS agree to the application of a fuel surcharge by application of the formula described below. For the purposes of the fuel surcharge formula, the term "Adjusted Base Rate" shall mean \$2.97/gallon for the price of diesel fuel, increased on each anniversary of the first date of the Term as follows:

Years 2-5: two percent (2%) increase over the Adjusted Base Rate in effect prior to the adjustment;

Years 6-10: two and one-half percent (2.5%) increase over the Adjusted Base Rate in effect prior to the adjustment; and

Years 11-20: increase in the Adjusted Base Rate shall be equal to the percentage of increase of CPI-Midwest for All Urban Consumers based on published data for the most recently available twelve (12) month period prior to the commencement of the new year, but such increase shall not be less than three percent (3%) nor more than five percent (5%).

If the "average price for diesel fuel" in any month exceeds the then applicable Adjusted Base Rate, Republic may assess BPWS a fuel surcharge for that month. The fuel surcharge shall be calculated by subtracting the Adjusted Base Rate from the average price per gallon which Republic paid for diesel fuel used in servicing Residential Properties in such month and multiplying the result thereof by the number of gallons of

diesel fuel used by Republic in servicing Residential Properties in such month. For purposes of this Agreement, the "average price for diesel fuel," shall mean the lesser of i.) the average price per gallon of diesel fuel actually paid by Republic during the applicable period ; or ii.) average cost per gallon (Midwest Region) for diesel fuel on the first listed day of each calendar month as posted by the United States Department of Energy's Energy Information Administration currently posted on the internet at: <http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp>. Documentation regarding and supporting the claim for a fuel surcharge shall accompany such claim and the City shall have no obligation to pay any claim for a fuel surcharge if support for such claim is not submitted therewith. BPWS reserves the right to inspect all documentation in any way related to fuel costs in relation to a claim for a fuel surcharge and Republic shall make all such documentation available promptly upon request therefore by BPWS.

Republic shall not receive any additional monetary compensation during the Term due to disposal/dumping prices, fees, rates or charges increasing at the landfill, transfer station, incinerator, composting facility or any other disposal facility used in the performance of this Agreement; any such increases shall be at no cost to the BPWS. Notwithstanding the foregoing, BPWS shall reimburse Republic for (a) the amount of any increases after the date hereof to federal, state, local and all other governmental fees ("Governmental Fees") in existence as of the commencement date hereof that directly apply to the waste removal and disposal industry and which applies to the services provided hereunder or to the disposal site and (b) all costs relating to any subsequently adopted Governmental Fees that directly apply to the waste removal and disposal industry and which applies to the services provided hereunder or to the disposal site. Documentation regarding and supporting the claim for any such reimbursement request shall accompany such request. BPWS reserves the right to inspect all documentation in any way related to such a reimbursement request.

XIII. ANNEXATION/GROWTH

During the Term hereof, at such time, if any, that the City experiences material growth that results in new Units being included for service hereunder, the BPWS shall

inform Republic of same, including an estimate in the number of new Units to fall within the City's corporate limits. Republic and the BPWS thereupon shall meet to discuss and implement an equitable increase in the fees to be paid by the BPWS to Republic hereunder as a result of the growth. If the parties cannot reach agreement on such an increase in fees, Republic, at its option, may terminate this Agreement by providing sixty (60) days written notice to the BPWS of same. For purposes of this Agreement, "material growth" is annexation or other growth that results in a net increase of twenty-five (25) or more new Units being included for service hereunder.

XIV. ASSIGNMENT OF AGREEMENT

Republic shall not assign this Agreement or any part thereof without the written consent of the BPWS.

XV. REPUBLIC'S FAILURE TO PERFORM

A. LIQUIDATED DAMAGES

It is hereby understood by both parties that time is of the essence of this Agreement. The BPWS and Republic agree that Republic's failure to perform services in accordance with the terms of this Agreement will cause the BPWS and the City to suffer damages, the full and exact extent and character of which cannot be measured as a basis for recovery by the BPWS of actual damages.

Specifically, the following acts and omissions shall be considered breaches of this Agreement, subject to the corresponding liquidated damages only after notice of the service failure has been duly given to Republic by the BPWS, and Republic has had at least twenty-four (24) hours to cure the alleged service failure.

1. Failure to collect, on any given collection day, Household Waste, Large Items, Yard Waste or, if later incorporated into this Agreement, Recyclables at ten (10) or more Units on the same route: \$15.00 each Unit.

2. Failure to collect, on any given collection day, Household Waste, Large Items, Yard Waste or, if later incorporated into this Agreement, Recyclables, at three (3) or more Units on any given block: \$15.00 each Unit.
3. Failure to collect, on any given collection day, Household Waste, Large Items, Yard Waste or, if later incorporated into this Agreement, Recyclables, within twenty four (24) hours after BPWS notifies Republic of such failure: \$15.00 each Unit.
4. On any given collection day, collection of Household Waste, Large Items, or, if later incorporated into this Agreement, Recyclables, prior to 6am or after 9pm: \$15.00 each Unit.
5. Failure to maintain vehicles in a reasonably clean and safe working condition: \$15.00 each vehicle per occurrence.
6. Failure to clean up spillage when collecting Household Waste, Large Items, Yard Waste or, if later incorporated into this Agreement, Recyclables:- \$25.00 per each occurrence.
7. Failure to clean up spills of hydraulic fluid or other liquid leaked from vehicles in excess of that considered normal for everyday operations:- \$25.00 per each occurrence.
8. Failure to report the prior month's complaints (as received by Republic from residents) to BPWS within 48 hours of a written request therefore by BPWS:- \$10.00 each day.
9. Failure to identify Republic and the local number on a vehicle or equipment used in the performance of this Agreement: \$15.00 each Unit.

BPWS and Republic agree to act in good faith in the reporting, investigation and implementation of the matters described in Article XV. A. 1 – 9 above.

B. SUBSTANTIAL FAILURE TO PERFORM

In addition to the liquidated damages for failure to provide quality performance heretofore set forth, a substantial failure to perform this Agreement by Republic shall be grounds for termination of this Agreement by the BPWS. A "substantial failure to perform" shall require BPWS to make a showing of Republic's repeated failure to provide the service to the residents of the City as provided by this Agreement after receipt of notice and a reasonable period of time to cure any such failures. Such decisions shall not be made arbitrarily or capriciously and shall be subject to review by a court of general jurisdiction in Vigo County, Indiana. Negotiation of a dispute shall not be grounds for Republic to abandon the performance of the terms of this Agreement. Should BPWS determine that Republic is not satisfactorily fulfilling its obligations hereunder and there exists a "substantial failure to perform", BPWS shall provide written notice to Republic specifying the unsatisfactory performance. Republic shall have 60 days to correct the unsatisfactory performance or otherwise resolve the dissatisfaction of the BPWS.

XVI. REPUBLIC'S RESPONSIBILITY

Republic hereby expressly agrees to indemnify and save harmless the City and its BPWS from all damages, costs, judgments, loss and from all suits or actions, or the defense thereof, of every name or description brought against the City or its BPWS, for or on account of any injuries or damages received, sustained, or alleged to have been received or sustained, by any party by or from Republic or its servants or agents in the performance of the Agreement or by or on account of any act of omission of Republic or its agents.

Republic is further expressly bound to appear and defend all such suits or actions and to save the City and its BPWS harmless from any loss on account of such suits or actions. Republic is required to observe all ordinances that may in any way materially affect the nature of these services to be performed under this Agreement.

In addition, Republic shall observe all rules and regulations of the United States, of the State of Indiana, the City of Terre Haute, state and local health officials and of any other regulatory agency having jurisdiction over the work. Republic, in addition, shall take all reasonable precautions necessary to avoid unsanitary conditions at the pick-up or disposal site.

XVII. SAFETY AND ACCIDENT PREVENTION

In the performance of this Agreement, Republic shall comply with all applicable Federal, State, and local laws governing safety, health, and sanitation. Republic shall provide all safeguards, safety devices, and protective equipment and take any other needed actions, reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with performance of the work covered by this Agreement.

XVIII. SOLICITATION OF COMMERCIAL/INDUSTRIAL ACCOUNTS

Republic may solicit commercial and industrial accounts not covered by this Agreement. However, all arrangements for collection and payment of services are entirely the responsibility and obligation of Republic. At no time shall Republic exceed its capacity in such a way that the proper performance of this Agreement is endangered. Republic has the right to all salvage operations it may conduct or any pick-ups it performs, excluding recycling.

XIX. COVENANT AGAINST CONTINGENT FEES

Republic warrants that it has not employed or retained any City of Terre Haute employee or an employee of any City of Terre Haute governmental board or agency to solicit or secure this Agreement and that it has not paid or agreed to pay any City of Terre Haute employee or employee of a City of Terre Haute governmental board or agency any fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award of making this Agreement. For breach or violation of this warranty, the City shall have the right to annul this Agreement without liability or, at

its discretion, to deduct from the Agreement price or consideration or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

XX. NOTICE

Any notice, invoice, order, or other correspondence required to be sent under this Agreement shall be sent:

TO REPUBLIC

General Manager
12820 Cumminsville Road
Pimento, IN 47866
(812) 298-2100

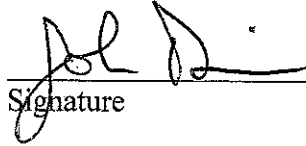
with a copy to:
Area President
832 Langsdale Avenue
Indianapolis, IN 46202
(812) 921-1667

TO BPWS

Board of Public Works & Safety
City Hall
17 Harding Avenue
Terre Haute, IN 47807
(812) 232-4767

[signature page follows]

FOR REPUBLIC SERVICES OF INDIANA, LP:


Signature

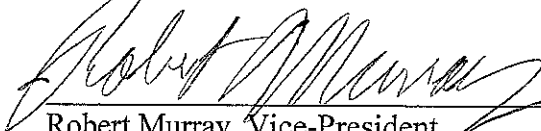
12-20-07
Date

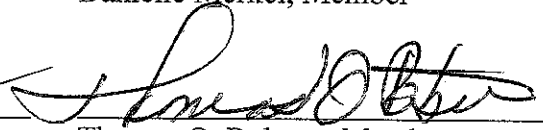
John Dzierz Area President
Printed Name & Title

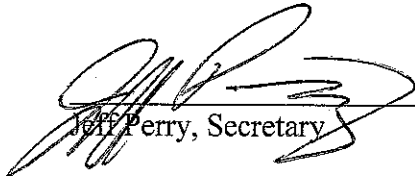
FOR THE CITY OF TERRE HAUTE, INDIANA,
BY ITS BOARD OF PUBLIC WORKS AND SAFETY:


William D. Lower, President


Danielle Merkel, Member


Robert Murray, Vice-President


Thomas O. Roberts, Member


Jeff Perry, Secretary

12/17/07
Date